

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 166 – SB 992**

February 20, 2023

**SUMMARY OF BILL:** Establishes that any full-time state employee who is a member of a reserve component of the Armed Forces of the United States, including the Tennessee Army and Air National Guard, shall continue to accrue annual and sick leave that a state employee would ordinarily accrue during a period of absence from the state employee's respective duties for all periods of military service, during which the state employee is engaged in the performance of duty or training in the service of this state, or of the United States.

**FISCAL IMPACT:**

**Other Fiscal Impact - The state's additional fiscal liability is estimated to be \$461,900 annually for accumulated leave resulting from the proposed legislation, but does not result in a direct annual budgetary impact.**

Assumptions:

- The legislation defines state employee as a person who is:
  - A state official, including the Attorney General, district attorneys general, state judges, and district public defenders;
  - Employed by the state and whose compensation is payable by the state or is paid in whole or in part from federal or other funds; or
  - Employed by a public institution of higher education and whose compensation is payable by the institution or is paid in whole or in part from federal or other funds.
- Tennessee reservists and Tennessee National Guard members are entitled to both military leave with pay and military leave without pay benefits.
- Based upon information provided by the Department of Human Resources, there were 98 state employees in 2022 who recorded military leave without pay.
- These 98 employees that were not allocated 11,442 hours of annual leave and 8,640 hours of sick leave in 2022 that they would have received under the provisions of this legislation.
- Unused annual time is paid out upon termination or resignation and sick time upon retirement.
- Any amount paid under the aforementioned situations represent an unfunded liability to the state; however, DHR does not calculate these amounts.
- There are additional persons who would fit the description of a "state employee," as defined in this legislation, specifically those employed by public institutes of higher

education. It is unknown how many of these employees this legislation would impact and to what degree.

- This analysis assumes each hour of leave is equal to \$23.
- The possible increase in fiscal liability to the state is \$461,886  $[(11,442 + 8,640) \times \$23 \text{ per hour}]$ .

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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